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IWG/M-66
Control No.
8 October 1954

INTELLIGENCE WORKING GROUP

Minutes of 66th Meeting

10:30 - 12:30, 30 September 1954

PRESENT

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Lt. Col. Brown, OSD
Mr. Nichols, OSD
Mr. Whitt, AFOIN
Mr. Smiley, ONI
Cmdr. Meyertholen, ONI
Mr. Wood, G-2
Miss Lincoln, MDAC
Mr. Beresford, MDAC
Mr. Tilson, MDAC
Miss Baldwin, FOA
Mr. Slight, FOA
Mrs. Yound, EDS/State
Mr. Reiss, Commerce
Mr. Young, Commerce
Miss Worthing, OIR/State
Mr. Tiger, OIR/State

1. Proposed Change of Name of the IWG

DISCUSSION - The Chairman introduced for comment IWG/ID-21 of 25 August which proposed that the name of the IWG be changed to Economic Defense Intelligence Coordinating Committee. The consensus of the meeting was that "Economic Defense Intelligence Committee" (EDAC) would be more appropriate.

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ACTION - The Executive Secretary was instructed to request IAC approval of this change of name.

2. EDAC Views on Intelligence Programming for Economic Defense Intelligence Requirements

DISCUSSION - The Acting Chairman briefly reviewed past experience of the intelligence community in providing support on an ad hoc basis to the EDAC structure. This support has not been entirely adequate since it was necessary to fit the EDAC requests into an existing research program. In order that the intelligence agencies (and CIA, particularly) can in the future service the intelligence requirements of the economic defense program more promptly and satisfactorily, CIA has urged the Executive Committee to make known its expected intelligence needs during the coming year. The Chairman of that Committee has declared his intention of preparing such a statement of needs which will be distributed to IWG for discussion, comment and allocation of agency production responsibilities.

3. Proposed FY 1955 OIR Economic Defense Staffing Program

DISCUSSION - Attention was directed to IWG/AM-26, Distribution of ED/EC D-60/1, "Proposed FY 1955 OIR Economic Defense Staffing Program," (a paper approved earlier by the Executive Committee) which outlines a program under which OIR expects to improve research in support of the economic defense program. Among the provisions of the proposed staffing plan were those which specified that project requests from EDAC would

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normally be initiated through the IWG and that OIR project contributions would be referred to the IWG for review and comment.

Miss Worthing described the six additional OIR positions to be financed by MDAC and answered several questions concerning the functions and responsibilities of the new unit, viz: it is not anticipated that the unit will engage in ad hoc commodity analyses in connection with security list reviews; existing liaison arrangements at the working level will be continued as the channel for spot requests from OIR to other intelligence agencies; (in this regard, the Acting Chairman stated that the Chairman, Executive Committee will be requested to provide a written statement that spot requests from EDAC will normally be directed to the agency responsible under the provisions of DCID 15, Revised); the plan stipulates that EDAC requests for formal studies will come before IWG where agency views can be expressed.

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ACTION - The IWG approved the proposal in principle ^{LE} on the condition that (a) OIR contributions, whether in response to spot requests or in connection with formal IWG projects, would not become agreed Government positions until the military services had been afforded an opportunity to comment thereon; and, (b) assurances in writing were received from the Chairman, Executive Committee, that all EDAC spot requests (will be directed to responsible agencies under provisions of DCID 15, Revised, and all EDAC formal requests will be channeled through the IWG to the responsible agency, thus assuring IWG members an opportunity to express agency views on such

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requests and production assignments. The Executive Secretary was instructed to notify the Executive Committee of IWG approval of the proposal and to obtain written assurances from the Chairman, Executive Committee.

4. IWG Assessment of Intelligence Furnished JOC on IL-II Commodities

DISCUSSION - The question of whether a need existed for establishment of a permanent record and/or the assessment of intelligence furnished the JOC during the recent security list review first came before the IWG in May 1954. IWG/AM-25, "IWG Assessment of Intelligence Furnished JOC on IL-II Commodity Items" was distributed on 3 September. This document requested that member agency analysts provide to the IWG "any pertinent additional or corrective intelligence and/or an assessment of the adequacy of intelligence in the several JOC documents (listed)".

The Acting Chairman declared that IWG/AM-25 had been rescinded in view of the need for further consideration of the entire matter. There was an extended discussion on the utility of making an outlay of time and effort in the intelligence community to either (a) establish a permanent record of available commodity intelligence used in the list review, or (b) establish such a file and assess its adequacy under criteria which remained to be determined. Among the points made by the several members were the following: CIA is not clear as to the objective and utility of this exercise; intelligence contributed in past years for list review purposes is available in

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CIA in "black book" form; Commerce maintains complete files of all intelligence contributed in connection with list reviews; a permanent record of commodity intelligence would serve several specific phases of the EDAC program, other than list review; it would be a mistake to rely on a bibliography of work already done since commodity research is going forward continually; during the JOC reviews a mass of data was presented in oral form and not recorded for future reference; no local distribution was made of CIA written contributions to JOC; in determining whether to pursue this project IWG must establish a balance between the effort required and the utility to be derived.

ACTION - It was agreed that a clarification of Executive Committee instructions (ref: ED/EC M-120) on this general subject was required. Mr. Beresford agreed to provide the IWG with a statement as to the purposes for which such an exercise would be intended and a detailed specification of what might be desired in the way of a permanent record and/or an assessment of the intelligence.

5. Second Annual Progress Report of the IWG

DISCUSSION - The Intelligence Advisory Committee on 5 October "noted with appreciation" IWG/R-19, and several of those present remarked on the valuable service being performed by the IWG.

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6. Other Intelligence Matters

a. IWG/ID-34, ONI Contribution - Sale of Tanker to Communist China, was distributed for information.

b. Cmdr. Meyertholen suggested the value of IWG briefing sessions by members. The idea of acquainting all IWG members with the economic defense work done by the respective member agencies was well received.

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c. Mr. Wood inquired whether a [REDACTED] report on Chinese Communist attempted procurement of 300,000 life belts had been brought to the attention of action agencies. This raised the question as to whether such type information, not strictly of an economic defense character, should be processed through IWG channels. The Acting Chairman declared that this particular intelligence item was being evaluated by the NIC, but that any agency which comes into possession of intelligence of this type and urgency should immediately transmit it to [REDACTED] 25X1A6a

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[REDACTED] on the Diversion Control Network. It was agreed that a CIA paper covering procedures for handling such information would be submitted at the next IWG meeting.

d. The Acting Chairman referred to EB/EC D-72 of 27 September 1954 on "Sino-Soviet Economic Relations" and reported on current developments within the EDAC structure relating to the differential controls problem.

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He stated that FEEDWG had recently decided that (1) State would request the IAC to initiate an NIE which would cover the Communist China - Nonbloc trade problem; ED/EC D-72 was considered adequate terms of reference insofar as Sino-Soviet economic relations are concerned; and, a CIA representative would meet with a FEEDWG drafting group to consider Soviet satellite - Nonbloc aspects. If any questions remain unanswered after completion of the foregoing work, requests would be levied upon the intelligence community through the IWG.

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Executive Secretary
Intelligence Working Group

Distribution

Cat. B - (1-12)
C - (1-4)
D - All
E - (1-3,5)

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